

1 is going to get back to us on that, but I wanted to
2 hear what the CLECs thought.

3 MR. OATES: Yes, we will get back to you
4 on that.

5 MS. PREISS: Thanks.

6 To Mr. Pitterle, you were asked some
7 questions by counsel earlier about whether or not
8 it was Verizon's position that Verizon can satisfy
9 the mirroring requirement of the ISP Remand Order.
10 And to be precise, that's the requirement to
11 exchange all 251(b)(5) traffic at the same rate
12 that the FCC set forth ISP-bound traffic, so from
13 now on that's the mirroring requirement, that
14 Verizon can satisfy that requirement CLEC by CLEC.
15 Is that Verizon's position?

16 MR. PITTERLE: Yes, we sent the letter on
17 May 14th to all CLECs offering to exchange traffic
18 on that mirroring basis, and in our view we were
19 satisfied with the requirement, to each individual
20 CLEC.

21 MS. PREISS: You sent a letter to all
22 CLECs with which you interconnect?

1 MR. PITTERLE: Yes.

2 MS. PREISS: What about CMRS providers?

3 MR. PITTERLE: Yes.

4 MS. PREISS: That sounds to me like a
5 general offer to all CLECs and CMRS providers for
6 which Verizon interconnects.

7 Would Verizon take the position that it
8 would satisfy the mirroring obligation by making
9 that offer to WorldCom but not making that offer to
10 Cox, for example?

11 MR. PITTERLE: I believe we have an
12 obligation to make that offer to all carriers
13 within a state; and if we offered it to one without
14 the other, we would not satisfy it.

15 MS. PREISS: Thank you.

16 Mr. Pitterle, do you understand the rate
17 set out in the ISP Remand Order are rate caps?

18 MR. PITTERLE: Yes, I do.

19 MS. PREISS: There are certain
20 circumstances in which the actual rate applicable
21 to the exchange of ISP-bound traffic could be lower
22 than those rates?

1 MR. PITTERLE: Yes, based on a state
2 decision, for instance, that's lower.

3 MS. PREISS: Why does Verizon object to
4 including actual rates for ISP-bound traffic within
5 the Interconnection Agreement with these three
6 CLECs here?

7 MR. PITTERLE: I'm not sure we are
8 absolutely objecting to that. I think what we were
9 doing is referring to the order, and also we sent a
10 letter out on May 14th, as I mentioned, and in that
11 letter we state that the rates for exchanging
12 traffic would be the .0015 rate. That was our
13 intent, to give them that rate.

14 MS. PREISS: You said that in the letter.

15 MR. PITTERLE: Right.

16 And as far as putting it in the contract,
17 I think I would say that is definitely something we
18 would be willing to do. We just felt the order, as
19 I said in my testimony, would never take place. If
20 that is an issue, subject to my counsel's review,
21 be willing to do something like that.

22 MS. PREISS: All right. To Mr. Ball,

1 given the testimony we have had here that Verizon
2 has sent letters to all the CLECs and CMRS
3 providers to which it connects in Virginia to
4 implement the mirroring rule, is it your position
5 that Verizon has not satisfied the--actually, I
6 should say, do you believe that Verizon has
7 satisfied the condition you have set forth in
8 section--you have an A, B, and C in some section of
9 your contract, and I will find it in a minute.

10 MS. KELLEY: X.3.

11 MS. PREISS: X.3.B, Verizon offers to
12 exchange all traffic subject to the reciprocal
13 compensation provision, so on and so forth, page
14 two of the JDPL.

15 Is it your view that Verizon has satisfied
16 that condition?

17 MR. BALL: No.

18 MS. PREISS: And why is that?

19 MR. BALL: As I said earlier, 251(b) rates
20 are generally under the purview of the state
21 commissions. In order for this to be a valid
22 offer, Verizon needs to make a filing at the state

1 commission, explaining the rate and having the
2 Commission review it, because these 251(b) rates
3 were set in the context of cost proceedings.

4 MS. PREISS: Can you point to any language
5 in the ISP Remand Order that supports your
6 position?

7 MR. BALL: Well, the language is basically
8 saying they have to offer to exchange traffic to
9 all carriers.

10 MS. PREISS: And has Verizon done that?

11 MR. BALL: Again, what does the word
12 "offer" mean? From my perspective, when an
13 incumbent LEC offers to something, they usually do
14 it through--when they offer something to everyone,
15 it's done through a tariff filing at the state
16 commission. It's not done through a letter.
17 That's just my personal view on what that means.

18 MS. PREISS: What is WorldCom's view with
19 respect to this Interconnection Agreement with
20 referencing filed Verizon tariffs in this
21 agreement?

22 MR. BALL: For this issue or just in

1 general?

2 MS. PREISS: In general.

3 MR. BALL: Our view is that the rate
4 should be in the contracts.

5 MS. PREISS: Could I ask the same question
6 to AT&T? Is it your view that Verizon has
7 satisfied the condition set forth in AT&T's
8 proposed language 2.2.3.B of AT&T's proposed
9 contract, which is on page 11 of the JDPL? We
10 could refer to the attachment to your testimony, if
11 you prefer.

12 MR. KIRCHBERGER: Based on what I heard
13 here today, yes.

14 MS. PREISS: So, do you have any need for
15 this language in your contract, then?

16 MR. KIRCHBERGER: Is it absolutely
17 mandatory? I don't think so.

18 MS. PREISS: What about 2.2.3.A, that
19 Verizon requests that ISP-bound traffic be treated
20 in the manner specified in the Remand Order? Has
21 Verizon done that?

22 MR. KIRCHBERGER: Yes.

1 MS. PREISS: Mr. Ball, has Verizon done
2 that?

3 MR. BALL: Yes.

4 MS. PREISS: Dr. Collins, I can't remember
5 what Cox's language is on this issue.

6 MR. HARRINGTON: This is not an issue for
7 Cox.

8 MS. PREISS: Thank you.

9 Mr. Pitterle, AT&T, WorldCom and Cox, in
10 different forms--and if you need me to, I will go
11 back one by one through the language, but maybe you
12 could answer this question without that--have
13 proposed putting language in the contracts
14 referring to the--we covered the rates
15 already--having to do with the minutes of ISP-bound
16 traffic that would be eligible for the compensation
17 set forth in the ISP Remand Order.

18 Can you explain why or if Verizon objects
19 to such provisions?

20 MR. PITTERLE: Two parts to my answer. If
21 the provisions were in line with the order and
22 didn't add information or remove it as are

1 discussed in the cross-examination of the witnesses
2 today, Verizon would be willing to put something
3 into the contract that is in line with the order,
4 more in line with the order to make this more
5 specific.

6 MS. PREISS: So, looking at X.5 that
7 starts on page five of the JDPL, it says, and I'm
8 paraphrasing, the rates set out in section X.3.2
9 shall be billed by WorldCom to Verizon on ISP-bound
10 traffic for minutes of use only up to a ceiling
11 equal to on an annualized basis the number of ISP
12 minutes originated on Verizon's network and
13 delivered by MCI during the first quarter of 2001,
14 et cetera, et cetera.

15 If that language were modified to reflect
16 the language in the ISP order that ISP-bound
17 traffic minutes of use for which MCI Metro was
18 entitled to compensation in the first quarter of
19 2001 and so on and so forth, annualized, et cetera,
20 et cetera, would Verizon have any objection to that
21 language?

22 MR. PITTERLE: To match the order as you

1 described, I think that would go a long way to
2 having Verizon accept that, yes.

3 I would just like to add real briefly to
4 that, there is a certain level of detail. Again,
5 Verizon's position is it's appropriate for a
6 contract in a level of detail that could be still
7 nailed down, so to speak, in other forms,
8 Business-to-business rules, which happens all the
9 time. But those specific provisions are right out
10 of the order. That shouldn't be a problem.

11 MS. PREISS: That's included under I-5
12 there are these traffic factor, Traffic Factor I,
13 Traffic Factor II.

14 MR. PITTERLE: Yes.

15 MS. PREISS: Could you explain them to me
16 using some language other than the language that's
17 in the contract. I'm having trouble with it.

18 MR. PITTERLE: I will be very brief.

19 MS. PREISS: Tell me what they are
20 intended to do.

21 MR. PITTERLE: Assuming you getting
22 monthly amount of minutes from a CLEC, here is all

1 the CLECs we sent to you that's billable for the
2 month, Traffic Factor I would take that total
3 bucket of minutes and split out the interstate
4 portion, any part that might be intrastate traffic,
5 and that would be very little. Quite frankly, we
6 see very little, if any, interstate traffic that
7 routes over these local interconnection trunk
8 groups.

9 You are left with intrastate bucket and
10 remain part of the bucket. You take that and you
11 apply Traffic Factor II to it to extract the
12 intra-LATA and intrastate toll traffic that would
13 be one plus dial that would traverse that trunk
14 group that should not be considered local calling
15 area, if you will.

16 The remaining minutes are then the minutes
17 that are left over within the state that would be
18 split on the three-to-one factor into 251(b)(5)
19 traffic and ISP-com traffic. First, you look at
20 all the traffic on the trunk group, Traffic Factor
21 I interstate is out, Traffic Factor II intrastate
22 toll is out. What's left is the minutes to go with

1 the three-to-one ratio.

2 MS. PREISS: The traffic factors aren't
3 some other number that you then apply to the
4 minutes. They are a way to determine--it's a
5 Traffic Factor I, the result of that is you take
6 all the minutes coming over those local
7 interconnection trunks and you end up with a
8 percentage of interstate use of that? Is that
9 basically right?

10 MR. PITTERLE: I thought you were going in
11 a different direction.

12 MS. PREISS: Maybe I shouldn't be
13 introducing PIU into this.

14 MR. PITTERLE: The interstate minutes that
15 are extracted off from Factor I are comparable to
16 the words you just used, PIU minutes, yes. That's
17 all it really is. It's just maybe a Verizon
18 vernacular to address the PIU/PLU factors in the
19 post-ISP Order environment, but it does exactly the
20 same things.

21 MS. PREISS: Then the second traffic
22 factors separate intrastate toll from local, to use

1 the vernacular?

2 MR. PITTERLE: That's correct.

3 MS. PREISS: Okay. The traffic you have
4 left over is what you count to determine whether
5 the traffic between carriers is out of balance by
6 more than a three-to-one ratio?

7 MR. PITTERLE: That's correct.

8 MS. PREISS: Okay. We are going to IV-35
9 since it relates to I-5, so Ms. Dailey will be
10 asking questions.

11 MS. DAILEY: I have just a few questions,
12 and I think some of these are going to have to be
13 addressed to counsel. This concerns issue IV-35.

14 And I apologize if this is contained in
15 some papers that have been filed with the
16 Commission that I haven't seen, but in the JDPL
17 that Verizon and WorldCom and the other parties
18 submitted in July, there was a Section 7 of
19 Verizon's proposed contract with WorldCom, and I
20 believe it was called the "Reciprocal
21 Compensation."

22 In the revised JDPL that was filed with

1 the Commission in September, there was a new
2 section not numbered that we have been discussing
3 all day. My question is: Is Section 7 of the July
4 JDPL gone? Is it replaced by this new section?

5 MR. OATES: This is Verizon proposed
6 language?

7 MS. DAILEY: Verizon proposed language
8 with WorldCom. Maybe the witness can answer the
9 question. I'm trying to sort of get my bearings.

10 MR. OATES: I don't know if the witness
11 knows or not. I would have to ask some of my
12 colleagues here if they might know the answer to
13 that.

14 MS. DAILEY: Would do you that?

15 MR. OATES: Yes, I would be happy to.

16 MS. KELLEY: Just so I could follow what
17 you're looking at, what issue number is that?

18 MS. DAILEY: IV-35.

19 I actually have some questions for you,
20 too.

21 MR. EDWARDS: The Section 7 language that
22 you referenced in July, is that in the JDPL with

1 respect to issue IV-35?

2 MS. DAILEY: Yes.

3 Counsel, in case it wasn't clear, it's in
4 the July JDPL. It's not in the most recent JDPL.

5 MR. EDWARDS: Yes, ma'am, I understood
6 that.

7 I think it unlikely we would be able to
8 answer the question in a short period of time.

9 MS. DAILEY: I'm gratified you're having
10 some trouble with it also.

11 MR. EDWARDS: Well, if it makes you happy,
12 then I'm glad about it, too, but I'm not so sure
13 it's a good thing.

14 MS. DAILEY: Okay. While you're doing
15 that, I'm not sure that--I need this clarification.
16 I'm not trying to say it's necessary for me to
17 proceed today.

18 There is also a Section 2.58 of the
19 glossary that defines "local traffic," and I would
20 also like to know whether that's been withdrawn.

21 MR. EDWARDS: Is that WorldCom language?

22 MS. DAILEY: Verizon proposed WorldCom.

1 2.58 of the glossary.

2 MR. EDWARDS: All right.

3 MS. DAILEY: My other question is: Where
4 does that new section go? It's not critical to
5 know that today, but I think we would like to know
6 at some point.

7 MR. EDWARDS: Yes, ma'am.

8 MS. DAILEY: This question, I believe, is
9 going to be for either WorldCom's witness or its
10 lawyer.

11 In the revised JDPL, WorldCom continues to
12 cite Section 4.2 of its proposed Interconnection
13 Agreement with Verizon under Section IV-35.

14 Could you explain what Section 4.2 of the
15 proposed contract addresses regarding reciprocal
16 compensation that WorldCom's new Section X does
17 not? In other words, why is it necessary to
18 continue with Section 4.2?

19 MR. ARGENBRIGHT: Bear with me just a
20 moment. I will take a stab at it, if I can.

21 MS. DAILEY: 435 is on page 86 of the
22 revised JDPL.

1 MR. MONROE: I think the answer to that is
2 the Section 4 language is recip comp generally, and
3 the X-dot number language is for ISP compensation.

4 MS. DAILEY: So, you feel that the X-dot
5 language does not adequately go outside the ISP
6 issue; is that correct?

7 MR. MONROE: That's right.

8 MR. ARGENBRIGHT: There are other things
9 like some of the other issues we touched on.

10 MS. DAILEY: Can you briefly summarize for
11 me what is left when we get past--what does Section
12 4 do? What does it cover?

13 MR. ARGENBRIGHT: Okay. It talks
14 about--with regard to reciprocal compensation
15 outside of the ISP Remand Order language in the
16 X-dot section, we are talking about the traffic
17 that's left, the comparison of the NPA/NXXs, to
18 identify that traffic; the symmetrical nature of
19 the rates that need to apply to that traffic; the
20 tandem issue, which is its own separate issue, but
21 it memorializes the geographic coverage component
22 of that issue.

1 So, I think that covers and then indicates
2 where to find the rate for that in the attachment,
3 proposed attachment one.

4 MS. DAILEY: If you would look at--this is
5 another source of confusion. If you would look at
6 page two of the JDPL, section--WorldCom proposed
7 Section X.2, do you see that language there?

8 MR. ARGENBRIGHT: I do.

9 MS. DAILEY: It says, (reading) For
10 purposes of this Section X, ISP-bound traffic and
11 Section 251(B)(5) local traffic shall be identified
12 in accordance with the provisions of section X.4
13 below.

14 My question is: On page 87 of the revised
15 JDPL, Section 4.2.1.2 has a definition of local
16 traffic. Are these provisions, the 251 local
17 traffic and the local traffic, two different
18 things, or are they the same thing?

19 MR. ARGENBRIGHT: They are the same thing.
20 This--the 4.2.1.2 is simply, I avoid calling it a
21 "definition." I referred to it as a method of
22 determining the nature of the traffic in the

1 jurisdiction based on the comparison of the
2 NPA/NXXs.

3 MS. DAILEY: All right. I would like to
4 ask this question on both WorldCom and of the
5 Verizon witness. With respect to that definition
6 in the WorldCom 4.2.1.2, the definition of local
7 traffic, how does that differ substantively from
8 what I think Verizon defines as its definition of
9 designated reciprocal compensation traffic, which
10 is on page 11 of the revised JDPL Section 2.2?
11 Just substantively, if you could explain whether
12 you're talking about the same thing or defining
13 this.

14 MR. PITTERLE: Is it all right?

15 MS. DAILEY: If you're ready, go.

16 MR. PITTERLE: I believe that our language
17 on page 11 that you pointed out defining the
18 end-to-end--I believe that the language that you
19 pointed out for Verizon on page 11 of the Joint
20 Decision Point List in which it defines recip comp
21 shall be based on the actual originating and
22 terminating points of the complete end-to-end

1 communication, I believe that's Verizon's
2 counterpoint to what I see in 4.2.1.2 in terms of
3 what--

4 MS. DAILEY: Okay--

5 MR. PITTERLE: They're related.

6 MS. DAILEY: And how did they differ,
7 though? In other words, we are talking apples to
8 apples, but substantively how do they differ?

9 MR. PITTERLE: It ties to the virtual FX
10 issue in which the caller originates in one
11 exchange and terminates in the other, as had been
12 discussed previously.

13 In that situation, Verizon has experienced
14 CLECs who take a number associated with one end
15 office and actually assign it to a customer in a
16 different end office that's nonlocal, so normally
17 it would be a toll call, but the number has been
18 assigned accordingly. That's what would be the
19 language in 4.2.1.2. Verizon believes the
20 jurisdiction of that call is nonlocal--it's
21 access--based on the end-to-end
22 communication--end-to-end points of the call. The

1 WorldCom language, their position is that it's the
2 number assignments and how they're associated with
3 an end office that determines the jurisdiction of
4 the call. We are saying it's the physical
5 locations of the customers as to whether they're in
6 the local calling area or not, originating and
7 terminating points that determine the jurisdiction
8 of the call.

9 MR. BALL: I think, yeah, basically
10 Verizon thinks that FX calls should be treated as
11 toll, and they should be treated as local.

12 MS. DAILEY: Okay. Let me state that I
13 did not see any specific testimony regarding
14 Section 4.2 in Verizon's rebuttal, and I'm
15 wondering if Verizon objects to--finds the language
16 objectionable in any way.

17 MR. PITTERLE: Yes, we would, in terms of
18 the differences of position that we have, and I can
19 comment in two forms.

20 First of all, we did have a link subnote
21 comment to issue I-5, I believe, for this issue,
22 and we said our language proposed in I-5, the

1 Verizon proposed language we had been discussing
2 would cover the same things that one way or another
3 that this language in 4.2 is attempting to address.
4 So, we felt we had provided appropriate reference,
5 if you will, to the issue.

6 And as it relates to each specific
7 paragraph, there are different provisions like we
8 just went through in the example in that Verizon
9 proposed language that we think addresses this in
10 one fashion or another. Sometimes it's an
11 agreement, sometimes it's not.

12 MS. DAILEY: I don't think there was any
13 specific rebuttal. I think it was a general
14 statement.

15 I wanted to add one comment. Previously,
16 there was mention of the relationship of the
17 95 percent CPN with issue IV-11. I believe it also
18 is related to IV-34, just for reference for
19 counsel. If you would take a look at that.

20 MS. PREISS: Could I jump in with a
21 cleanup question for WorldCom while they're
22 talking? In Section X.4 of WorldCom's proposed

1 contract for issue I-5 which is on page four of the
2 JDPL, it says, "Identification of ISP-bound traffic
3 and 251(b)(5) local traffic." And the next
4 sentence, if you could call it that, reads,
5 (reading) Traffic that originates on Verizon's
6 network and that WorldCom delivers to an MCIm
7 customer, and that is in excess of a ratio of
8 three-to-one of all of the local MOU that
9 originates on MCIm's network for delivery by
10 Verizon to Verizon's customers, period.

11 Is there some language missing there?

12 MR. BALL: First of all, neither Mark or I
13 wrote that sentence, or were involved in the
14 creation of it. I think that that sentence is
15 supposed to say ISP-bound traffic is defined as
16 traffic.

17 I think if you--

18 MS. PREISS: Well, maybe you could ask
19 WorldCom in our continuing effort to have the
20 contract language that current contract language,
21 maybe WorldCom could substitute later on.

22 MR. BALL: I believe it's talking about

1 the traffic that's beyond the three-to-one ratio.

2 MS. PREISS: Thanks.

3 MS. DAILEY: I'm done.

4 MR. MOON: Move on to issue I-6.

5 To Verizon, if Verizon--is there--is
6 Verizon successfully doing so-called call rating in
7 any other jurisdiction or any other Interconnection
8 Agreement, not based on the NPA/NXXs of the end
9 points--I'm sorry, of the call, of the end points
10 of the call?

11 MR. PITTERLE: I'm going to have to ask
12 you to repeat that.

13 MR. MOON: Okay. Is Verizon successful in
14 any other jurisdiction or Interconnection Agreement
15 doing toll rating, call rating, based on anything
16 other than NPA/NXXs?

17 MR. PITTERLE: I'm not certain. I'm not
18 aware.

19 MR. MOON: Or to put it another way,
20 Verizon is introducing a new way to rate calls
21 based on the physical end points of the call,
22 whereas it has in the past at least in some

1 situations, if not all situations, based them on
2 NPA/NXXs.

3 MR. PITTERLE: From a rating perspective,
4 yes. From a jurisdiction perspective and an
5 intercarrier compensation perspective, Verizon, I
6 think, has always maintained that the compensation
7 should be based on actual locations and calling
8 areas, local versus toll.

9 So, the issue here is not the rating,
10 which would fall more within the NPA/NXX. It's the
11 intercarrier compensation and what's appropriate,
12 irrespective of how the network works or the rating
13 that evolves from that network.

14 MR. MOON: The reason I ask is the
15 fundamental question of how to assess those
16 physical end points, the question is whether that
17 has been implemented in any other Interconnection
18 Agreement in any way.

19 MR. PITTERLE: I'm not aware of the
20 specific language that's introduced in this order,
21 but I would be happy to go back and research that
22 and provide a late-filed exhibit or something, if

1 that would be helpful.

2 MR. MOON: That would be helpful.

3 Verizon's position appears to be that the
4 CLECs could order a direct interoffice private line
5 to achieve dedicated FX service. And the question
6 then to the petitioners is, what are the
7 complications of that? In other words, Verizon
8 appears to be offering to you the same manner that
9 it achieves a foreign exchange. What would be the
10 problem with the CLECs just simply signing on to
11 that same FX service that Verizon offers? I will
12 start with AT&T.

13 MR. SCHELL: Thank you. May I use the
14 drawing for a moment?

15 MR. MOON: All right.

16 MR. SCHELL: I'm referring to the drawing
17 that Mr. Oates made this morning which I believe is
18 Verizon Exhibit Number 54.

19 As he drew it this morning, Mr. Moon,
20 there was a Verizon customer in Staunton to call a
21 CLEC customer in Roanoke, who had a Staunton FX
22 number, I believe, a Staunton NPA/NXX. Again, as

1 we discussed this morning, the CLEC has a single
2 switch that serves that entire area. In the Bell
3 Atlantic case--I'm sorry, in the Verizon case,
4 Verizon has one switch that serves its customer,
5 but when it offers an FX service, the NPA/NXX of
6 the foreign exchange is in a different switch. It
7 physically resides in a different switch. So, to
8 be able to take that customer from his normal
9 serving wire center to the switch wherein the
10 NPA/NXX resides, Verizon has to use a private-line
11 arrangement.

12 The competitive local exchange carriers,
13 because their serve a single switch point, have no
14 way to even use the private line arrangement.

15 MR. MOON: Verizon, can I ask you to
16 respond to that because--

17 MS. FARROBA: Actually, can we ask a more
18 specific question of Verizon?

19 Could you walk us through where, I guess,
20 the private line would run in Verizon Exhibit 54?
21 It would be from the Verizon end office or tandem
22 in City A directly to the Verizon end office in

1 City B?

2 MR. PITTERLE: Yes, I could try to walk
3 you through this. For Verizon FX service?

4 MS. FARROBA: Yes, but actually for a
5 Verizon customer.

6 MR. PITTERLE: Pure Verizon FX, I would be
7 happy to.

8 When I said there was a dedicated line
9 that connects the FX customer to the Verizon
10 foreign exchange, that's exactly what it is, and
11 this could happen if it was all Verizon network or
12 we were--actually was an ILEC, another ILEC that
13 has a customer. Either case, it would be the same.
14 Just different people billing.

15 But the end result is the FX customer, the
16 customer purchasing this toll replacement service,
17 is what I call it, based on this physical location,
18 pays for the full transport. Their local loop is a
19 dedicated loop and has a special charge; it could
20 be mileage based or averaged-miled space per month.
21 They would pay an interoffice facility rate out
22 to--all the way to the other Verizon exchange, the

1 foreign exchange, and that would be added in. And
2 then they would pay the B-1, business one party or
3 residence one party rate from the foreign exchange.

4 So, if Verizon had an FX customer in
5 exchange A, they would pay for this transport under
6 in piece parts under tariff all the way to exchange
7 B, and they would buy the B-1 or R-1 rate to get
8 the service.

9 MS. FARROBA: Right. If a Verizon
10 customer in exchange--in City A called that FX
11 Verizon customer in City B, Verizon would treat
12 that as a local call?

13 MR. PITTERLE: Yes.

14 And the reason is that they purchased in a
15 sense the toll replacement service, and I use that
16 word again. They paid for the transport. They
17 paid for the transport versus not having that
18 transport covered.

19 MS. FARROBA: How is that toll replacement
20 private line different from the example in Verizon
21 54 of their basically dedicated facility between
22 the CLEC switch and the CLEC customer?

1 MR. PITTERLE: It would be--if there was a
2 dedicated facility, it would be similar. I would
3 have to get--I don't think you necessarily want me
4 to go up to draw another diagram, but I will try to
5 explain it first and you tell me if you want me to
6 do that.

7 If you picture back to the fact that there
8 are local interconnection trunks between the CLEC
9 switch and Verizon switch for local traffic, and we
10 are maintaining this is not local traffic because
11 of the originating and terminating end points of
12 the call, but assuming there is local
13 interconnection facilities between the two
14 carriers. The traffic, as was brought out in
15 cross-examination that would flow between customer
16 calling the FX customer would most likely to the
17 switch look like local traffic and would flow over
18 those same local interconnection trunks. The
19 switch just routes it over the most convenient
20 path, most efficient path, as I answered in the
21 cross-examination.

22 So, it's on that same trunk group, mixed

1 in with ISP traffic, as I discussed, mixed in with
2 other local traffic mixed in with intra-LATA toll
3 traffic. It's all going over that same trunk
4 group, but in our view it's more like toll traffic
5 than it is local traffic.

6 But because of the dedicated traffic group
7 that we have and for local traffic in the testimony
8 in the past we dealt with VGRIP and IP, it's
9 nothing more than a meet point to agree on who pays
10 transport at both ends.

11 I would maintain that if we could reach
12 agreement on transport on both ends at a meet
13 point, that that would satisfy something close to
14 Verizon's FX service in which the FX customer pays
15 for the full transport. In this case, Verizon is
16 not having to haul this call and pay for the
17 transport all itself. It's reached agreement on a
18 meet point.

19 MS. PREISS: This is what I don't
20 understand. In your example, when FX provides the
21 FX service, it provisions a facility from the
22 Verizon end office or tandem in City A to the

1 Verizon end office in City B, and is compensated by
2 its FX customer for that facility.

3 MR. PITTERLE: Correct.

4 MS. PREISS: When the CLEC is providing
5 the virtual FX service that's at issue here, isn't
6 the CLEC providing the transport or the facility?
7 Let's just say the facility from its switch in City
8 A to its--to the FX customer in City B?

9 MR. PITTERLE: In my example, this traffic
10 could route over the local interconnection trunk
11 group, that could be a shared facility in a meet
12 point physically, and then we would have a shared
13 cost of transport. Otherwise--

14 MS. PREISS: In the example you all walked
15 through up there, Verizon Exhibit 54, the facility
16 from the CLEC switch then--in City A that drops
17 down to City B and goes around but is not switched
18 at the Verizon end office and to the CLEC to CLEC
19 customer, that is a facility that--for which the
20 CLEC is bearing the financial burden; correct?

21 MR. PITTERLE: I understand your question
22 now. Yes.